

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

<b>(1) DEPARTMENT</b> Administrative Office	<b>(2) MEETING DATE</b> 4/1/2014	<b>(3) CONTACT/PHONE</b> Guy Savage / Assistant County Administrative Officer (805) 781-5011	
<b>(4) SUBJECT</b> Request to approve two agreements with AEG Cycling related to the Amgen Tour of California Bicycle Race Stage 4 Finish in Cambria on May 14, 2014. District 2.			
<b>(5) RECOMMENDED ACTION</b> It is recommended that the Board: <ol style="list-style-type: none"> <li>1. Approve a contract with AEG Cycling for services related to the Stage 4 Finish.</li> <li>2. Approve an agreement on behalf of the Cambria Local Area of the San Luis Obispo County Tourism Business Improvement District (CBID) in the amount of \$30,000 with AEG Cycling for the Stage 4 Finish.</li> </ol>			
<b>(6) FUNDING SOURCE(S)</b> Business Improvement District assessment	<b>(7) CURRENT YEAR FINANCIAL IMPACT</b> \$30,000.00	<b>(8) ANNUAL FINANCIAL IMPACT</b> \$30,000.00	<b>(9) BUDGETED?</b> Yes
<b>(10) AGENDA PLACEMENT</b> <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
<b>(11) EXECUTED DOCUMENTS</b> <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
<b>(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)</b> N/A		<b>(13) BUDGET ADJUSTMENT REQUIRED?</b> BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
<b>(14) LOCATION MAP</b> N/A	<b>(15) BUSINESS IMPACT STATEMENT?</b> No	<b>(16) AGENDA ITEM HISTORY</b> <input type="checkbox"/> N/A    Date: _____	
<b>(17) ADMINISTRATIVE OFFICE REVIEW</b> This item was prepared by the Administrative Office.			
<b>(18) SUPERVISOR DISTRICT(S)</b> - District 2.			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Administrative Office / Guy Savage / Assistant CAO  
(805) 781-5011

DATE: 4/1/2014

SUBJECT: Request to approve two agreements with AEG Cycling related to the Amgen Tour of California Bicycle Race Stage 4 Finish in Cambria on May 14, 2014. District 2.

## **RECOMMENDATION**

It is recommended that the Board:

1. Approve a contract with AEG Cycling for services related to the Stage 4 Finish.
2. Approve an agreement on behalf of the Cambria Local Area of the San Luis Obispo County Tourism Business Improvement District (CBID) in the amount of \$30,000 with AEG Cycling for the Stage 4 Finish.

## **DISCUSSION**

The Amgen Tour of California is a "Tour de France" type stage race for professional bicyclists. The 2014 Tour of California consists of 8 individual stages and begins on Sunday, May 11<sup>th</sup> in Sacramento and ends on May 18<sup>th</sup> in Thousand Oaks. Stage 4 is slated to begin in the City of Monterey, travel just over 100 miles primarily down scenic Highway 1, and finish in the community of Cambria. AEG Cycling, the owner of the Amgen Tour of California, has produced the world-class stage bicycle race that has been seen in various California cities, including San Luis Obispo, Paso Robles, and Avila Beach for the past 9 years. Amgen, a California bioscience company, has served as the Tour sponsor since its inception in 2006.

Since late 2013, County staff has been diligently working with the community of Cambria and Tour representatives to coordinate the logistics of this event. The purpose of the attached services contract is to outline obligations, responsibilities, and expectations from both parties. The County is already completing its notable obligations including:

- Establishing a Local Organizing Committee (LOC) that has representatives to assist in the production of the event. The LOC is composed of logistical, technical, marketing, public relations, and volunteer coordination representatives.
- Assisting AEG in marketing and publicizing the event to the local community.
- Serving as the liaison between the race and the residents, businesses, and guests.
- Assisting in the layout of the race course and finish in Cambria and location of stages for television and awards.
- Acting as a communication conduit with other involved agencies.

The services contract also specifies that AEG Cycling is essentially responsible for most hard costs associated with the execution of the event. Importantly, the services contract specifies that AEG Cycling and its subcontractors will take measures to limit impacts to the precious water resources in Cambria. Specifically, the services contract specifies that AEG Cycling will limit use or import water, and only dispose of excess water in approved manners. As part of the services contract negotiations and in an effort to reduce water usage, AEG Cycling has already agreed to limit the number of hotel stays in Cambria. Current plans include just 25 stays in Cambria on the night of May 13<sup>th</sup> and 0 (zero) stays on May 14<sup>th</sup>. This will be accomplished by housing some 175 construction crew members in the San Simeon hotels on May 13<sup>th</sup> and the majority of its 800 staff in the Pismo Beach area on the evening of May 14<sup>th</sup>. Pismo Beach will serve as the start for Stage 5 on May 15, 2014.

As with any large event within the unincorporated County, a permit is required and AEG Cycling has been working with the County Public Works department on the permit. The permit requires AEG Cycling to address specified issues, including:

- Traffic and Transportation Management plans
- Public safety issues to include police, fire, and ambulance
- Trash and sanitation
- Crowd management measures

The ordinance establishing the San Luis Obispo County Tourism Business Improvement District (CBID) was originally approved by the Board in May 2009 and is regularly renewed. The ordinance (Section 3.09.050) provides for an assessment on all lodging businesses (hotels, motels, bed and breakfasts, vacation rentals), existing and future, within the boundaries of the CBID based upon 2% of the paid rent charged by the operator per occupied room per night for all transient occupancies. Fifty percent (50%) of the assessment is to be used for marketing and promoting the entire CBID area; the other 50% is to be used to promote tourism in the Local Area from where the funds are collected (Section 3.09.080). On December 7, 2010, your Board, at the recommendation of the CBID Advisory Board, designated Cambria as one of seven Local Areas in the unincorporated business improvement district. The Cambria Local Area Advisory Board was formed on February 1, 2011 when the Board approved appointments to the Board according to the provisions of Government Code Section 54970 (Maddy Book).

On October 23, 2013, the Cambria Local Area Advisory Board approved the use of \$30,000 of local area funds to sponsor the Cambria Stage 4 Finish. By accepting the grant funds, AEG Cycling has agreed to apply all of the grant funds solely to the Stage Finish in Cambria.

The Cambria Local Area Advisory Board events team will be seeking sponsorships and hosting various fund raisers before and during the Stage Finish event. Funds raised will be used to defray any locally incurred costs such as facility rental and public awareness mailings. Any net revenue derived from sponsorships and fund raising will be directed to organizations within the community.

### **Community Outreach**

Depending on numerous factors, including weather, the event is projected to attract something in the neighborhood of 2,500 spectators to Cambria on May 14, 2014. Certainly, an event of this magnitude is expected to generate concern and questions from the residents and businesses of Cambria. To begin addressing these concerns and questions, two dedicated community meetings have been established. The first meeting was held on March 6, 2014 at the Veteran's Hall in Cambria. Many of the questions dealt with the pressing issues of water and tourism in Cambria. Where possible, the questions and answers provided have been posted on a community website at:

<http://www.visitcambriaca.com/events/amgen-tour-of-california/>

The second community meeting is scheduled for April 9, 2014 at 6:00pm in the Veteran's Hall in Cambria.

Staff has attended numerous community meetings and will continue to attend up until the start of the race. In addition, there have been press conferences and coverage on TV and in the printed press.

### **OTHER AGENCY INVOLVEMENT/IMPACT**

In addition to County departments such as Public Works, Planning, Sheriff, Fire, and Emergency Services, there has been close and extensive contact with other agencies involved with this event, including the Cambria Community Service District, Cambria Local Area Advisory Board, Cambria Chamber of Commerce, City of Pismo Beach, California Highway Patrol, CalFire, Regional Transit Authority, Emergency Medical Services, and PG&E. There have been monthly overall coordination meetings, plus specific meetings related to the preparation of the traffic and transportation management plans.

### **BUSINESS IMPACT STATEMENT**

The Uniquely SLO County Cluster represents a combination of Wine, Agriculture, Recreation, Accommodation, and other regional specialty products and services. Recreation and Accommodation includes higher-value food and drink establishments, traveler accommodations, and amusement & recreation industries. This event is consistent with the Uniquely SLO County Cluster as the Tour of California has extensive television coverage both within the United States and worldwide via NBC Sports Network. With a projected 2,500 visitors, the event is expected to generate additional revenues for the businesses and hotels in Cambria and surrounding areas. The County will receive the associated sales and transient occupancy taxes.

### **FINANCIAL CONSIDERATIONS**

This event was structured to impact the County financially as minimally as possible. The services contract essentially specifies that AEG Cycling is responsible for nearly all hard related costs for staging the event. Except for the Public Works and Sheriff departments, AEG will be contracting with outside parties to provide the majority of the services or products. The Sheriff's department estimate to provide the necessary staffing for an event of this magnitude is approximately \$13,000 and the Agreement specifies AEG Cycling is responsible for reimbursing the County for those costs. There are "soft" costs related to staff assisting in coordinating the event and conducting outreach to the community and a time code has been established to assess the labor costs for those efforts. Staff time has primarily come from Supervisor Gibson's office and the Administration, Public Works, Sheriff, CalFire, and Planning departments.

### **RESULTS**

Hosting the Stage 4 Finish in Cambria, coupled with the Stage 5 Start in Pismo Beach is expected to generate a large number of spectators. The race is expected to result in increased revenue for businesses primarily in Cambria, Pismo Beach, and San Luis Obispo; however, increased revenues should be seen across the entire County. In addition, the staging of the race will place Cambria, and by extension San Luis Obispo County, on a world stage.

### **ATTACHMENTS**

1. AEG executed services contract
2. AEG grant agreement